

1 UNITED STATES OF AMERICA

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5 NATIONAL GAMBLING IMPACT STUDY COMMISSION

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8
9 FOURTH ON-SITE MEETING

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13 THURSDAY

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15 JULY 30, 1998

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19 TEMPE, ARIZONA

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23 The Commission met in the Buttes Resort, 2000 West
24 Court Highway, Tempe, Arizona at 8:15 a.m., Kay C. James,
25 Chairperson, presiding.
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PRESENT:

COMMISSIONERS:

KAY C. JAMES, Chairperson
ROBERT W. LOESHER
WILLIAM BIBLE
LEO T. McCARTHY
PAUL H. MOORE
JOHN WILHELM
JAMES C. DOBSON

COMMISSION STAFF:

E. DUNCAN GETCHELL, JR.	Counsel
DR. TIMOTHY KELLY	Research Director
MARTHA ROBERTS	Deputy Director
DOUG SEAY	Policy Director
ALLISON FLATT	Associate Research Director
TIMOTHY BIDWILL	Assistant to the chair
JOHN SHOSKY	Senior Writer
CRAIG STEVENS	Staff Assistant
JANET NEWKIRK	Executive Secretary
DEBBIE DUCREE	Receptionist

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July 30, 1998 N.G.I.S.C. Tempe Meeting

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1 CHAIRPERSON JAMES: Good morning. I would ask that
2 all Commissioners take our seats. I want to let the other
3 Commissioners know that Terry will not be joining us this
4 morning. He's had some personal -- I don't know if you want to
5 use -- some personal business to take care of, so he will not be
6 joining us.

7 I just want to welcome each and every one of you to
8 our meeting this morning and would like very much to spend a few
9 minutes and just tell you a little bit about the Commission.
10 This Commission was formed as an act of Congress. We are asked,
11 mandated to look at the social and economic impact of gambling.
12 We have been through several site visits where we have received
13 testimony and we are delighted to be here in Arizona today.

14 Previously we've conducted meetings in Washington.
15 We've been to Atlantic City, we've been to Boston, Chicago and we
16 have discussed at those site meetings several forms of gambling
17 and yesterday the Commission discussed parimutuel betting and
18 Indian gambling. As I've done in each of the site visits, I'd
19 like to share just a few minutes of what we do and why we do it.

20 The nine members of the Commission, although we are
21 lacking two here today, were appointed by the President, the
22 Speaker of the House and Senate Majority Leader. We do, in fact,
23 represent diverse and divergent backgrounds, regions of the
24 country and various viewpoints. In June of 1999 we will report
25 our findings to federal, state and Native American tribal
26 governments and as the citizens of Arizona know well, this is an
27 extremely timely study.

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1 Gambling has grown in America nationally to a \$550
2 billion a year industry. It's legal in all but two states and 38
3 states themselves operate some form of lottery. Every day we are
4 reminded of how important this Commission is. There's one person
5 in America today, I think, that's extremely happy about the state
6 of lotteries and I don't think they've found that person in
7 Indiana just yet. I'm not sure if they have.

8 A bill to restrict gambling on the Internet, as you
9 are well aware I'm sure, passed the Senate 90 to 10 just a few
10 days ago and in this environment in America today, I think, many
11 voters and policy makers and businessmen are seeking credible
12 information about the benefits and the cost of gambling and its
13 impact on the community.

14 When we developed our list of site visits it was not
15 our intention as a Commission to make sure that we visited a site
16 that would, in fact, view every type of gaming in America. To do
17 so, I think, would take far longer than two years and more effort
18 than this nine-member panel could muster but I go believe that by
19 now each of the Commissioners have a good idea of what a casino,
20 a racetrack or a lottery or a slot machine looks like and
21 generally how they operate.

22 For those of us who went to Del Mar yesterday, it was
23 a very informative visit and added to our knowledge and
24 understanding of parimutuel gaming in America. We hope to insure
25 through our site visits that we're able to hear directly from
26 those who are touched by gambling, from families to business
27 owners to government leaders, to those individuals whose lives

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1 who have been helped and those individuals whose lives have been
2 hurt.

3 We want to talk both about the positive and the
4 negative impact. We want to hear from you. That's why we're
5 delighted to be here today. Yesterday we heard from several
6 tribes about the complex issues surrounding gambling on
7 reservations and I know that the Commissioners came away with a
8 renewed appreciation about the inherent difficulties with many of
9 the questions that we will have to wrestle with. It was
10 extremely informative, extremely enlightening and I think we all
11 came away understanding just how extremely complex this issue is.

12 Today we will continue our examination of Indian
13 gambling. Our Native American gambling panels later this morning
14 and this afternoon will allow tribal leaders to address their
15 concerns to the Commission and will allow the Commission to be
16 briefed on the Indian Gaming Regulatory Act and the social and
17 economic impact of gambling in these communities.

18 I want to thank in advance all of our panelists,
19 particularly the tribal leadership that traveled to be here
20 today. I'd also like to thank Commissioner Loescher for his
21 assistance in pulling these two meetings together and that of
22 Rick Hill and Jacob Coin of the National Indian Gaming
23 Association for their assistance in providing this Commission
24 with logistical as well as expert testimony.

25 This meeting agenda is the product of a team effort.
26 No one understands better than I how difficult it is to pull one
27 of these agendas together and try to accommodate the various
28 wishes of individual Commissioners as well as the interest groups

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1 that so desperately want to be heard. I want to thank you for
2 your patience as we've gone through this process and thank the
3 staff. It is sometimes a grueling process to make all of this
4 come together as they've done.

5 We were not able to get everyone in who wanted to be
6 heard at the full Commission, but we were able to accommodate
7 them and I want to thank Doctor Moore for the job that he's done
8 with the subcommittee and the testimony that they received there
9 on the day before the full Commission hearing and the testimony
10 that they will be receiving and the site visit that they will
11 make on behalf of the full Commission tomorrow.

12 We appreciate the panelists and the members of the
13 public and the press who have joined us today and I especially
14 want to recognize each and every one of you who have taken time
15 out of your busy lives to be here. Part of my responsibility as
16 Chair is to protect the right of all sides to be heard and to
17 insure that the process for this discussion is fair, balanced and
18 objective, to make sure that each and every one of you has an
19 equal chance to come before this Commission and present his or
20 her case.

21 Spirited debate and differences of opinion are
22 expected and I believe to be encouraged. I would ask that
23 everyone participating today, including the audience, be
24 respectful to others as they are presenting and to those who have
25 different opinions. We're grateful to those of you who feel
26 strongly enough to come here. This Commission is here to listen
27 and to learn. With that, I'd like to take a minute and then we
28 will proceed to our first panelist. And this is a federal

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1 commission and under our rules all testimony is considered to be
2 under oath.

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